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## Japan Society in New York

Mike Mansfield 1903-2001

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SPEECH BEFORE THE JAPAN SOCIETY  
BY AMBASSADOR MIKE MANSFIELD

AS PREPARED FOR DELIVERY ON MARCH 19, 1985  
NEW YORK CITY

Thank you very much for your kind introduction.  
~~I am delighted to be here this evening.~~

The Japan Society is now entering its 78th distinguished year of promoting better U.S.-Japan relations. For more than three-quarters of a century the Society has served as a pillar of strength in the bridge of understanding between our two countries.

I congratulate the Japan Society -- its officers, board of directors, and all of those individuals and corporations who have contributed time, effort, and monies -- on its outstanding success.

In Japan, a 77th birthday has special significance. It is celebrated as the kiju, which means happiness. Family and friends gather together with the celebrant to give thanks for 77 years of life, and to face the 78th year and beyond with renewed confidence. It is a time to take stock.

I would like to use this opportunity to take stock, to share some of my thoughts on U.S.-Japan relations -- where we are and where we are heading. I am particularly pleased to do so here in New York City, which is celebrating another anniversary: the 25th year of sister-city relations with Tokyo. Congratulations to Mayor Koch, Governor Suzuki and the citizens of these two unsurpassed cities.

Nearly eight years of service as Ambassador to Japan have solidified my conviction -- indeed my credo -- that the Japanese-American relationship is the most important bilateral relationship in the world -- bar none. It was established by remarkably farsighted statesmen on both sides, and has been nurtured and carefully tended by dedicated people ever since. The stability, reliability, and durability of our relationship provide the foundation of hope for the Pacific Basin's future, as well as that of the rest of the world.

President Reagan and Prime Minister Nakasone reaffirmed the vitality of our relationship when they met in Los Angeles on January 2. President Reagan noted that "there is no relationship more important to peace and prosperity in the world than that between the U.S. and Japan." Prime Minister Nakasone



characterized U.S.-Japan relations as based on "trust, responsibility, and friendship."

In their joint statement to the press, the President and the Prime Minister commended the excellent report published last September by the U.S.-Japan Advisory Commission. The report noted that "the future success of the U.S.-Japan relationship is of great significance to world peace and prosperity." The report went on to make specific recommendations on managing our relationship, so that together we can make a great contribution to world peace and prosperity.

World peace and prosperity -- these are our goals as partners.

Ours is a partnership grounded in fundamental agreement on democratic principles and an open international economic system. It protects the freedoms that exist in both countries -- tangible and intangible. This partnership provides competitive stimuli to our economies and ever-rising standards of living. It deepens our understanding of human possibilities through cultural exchange.

As we all know, however, our relations are not trouble-free. We have all seen the newspaper

*something better*  
headlines<sup>^</sup> on the U.S. trade deficit with Japan. We have all heard the accusations about closed markets, high tariffs and non-tariff barriers on one side; and the high dollar, high interest rates, and a very large deficit on the other side.

If our relationship is to continue on the right track, we must tackle the serious and growing problem between us, namely our huge trade imbalance -- a trade imbalance that threatens to do real harm to the international free trading system.

There is no doubt in my mind that the figures are ominous. Japanese exports to the U.S. increased 40 percent in 1984, while U.S. exports to Japan increased only 8.9 percent. Moreover, our \$34 billion deficit with Japan last year amounts to 42 percent of our two-way \$81 billion trade.

I think we can all agree that a deficit of this size has consequences far beyond economics. It spurs protectionist sentiment not only in the United States but elsewhere. It pressures our political institutions to act in ways that may be very short-sighted. And if left unremedied, it can undermine mutual trust and eventually, our overall relationship.



The time has come, therefore, to drop the rhetoric of mutual recriminations, and get on with the business of problem solving.

When we look behind the headlines, what we are really talking about is the survival of the free trade, free enterprise system -- a system that is absolutely vital to both Japan and the United States. It is a system that we are more than ever jointly responsible for maintaining.

The free trade system, by definition, depends on free -- or at least equal -- market access. And, it depends on adhering to the concept of "fair play."

Let me clarify what we, the U.S. Government, mean when we talk about equal access and fair play.

First, equal access means exactly that. It means that if all things are equal, any country with good quality, low-priced products can enter a market and sell freely -- without tariff or non-tariff impediments. It means letting the market decide what is available to consumers, and at what price. Equal access means not restricting imports through non-transparent ordinances, administrative guidelines, repetitious and time-consuming certification procedures, and informal cartels. It

means abandoning long-standing purchasing patterns that are based solely on "old boy" business connections.

The U.S. Government believes that unfortunately, equal access does not always exist in Japan. In several industry sectors -- particularly telecommunications, electronics, forestry products, and pharmaceuticals and medical equipment -- we are highly competitive. But we are denied the opportunity to prove it.

I am concerned -- concerned that if no visible progress in opening Japan's markets in these four areas is made soon, <sup>especially in telecommunications</sup> rising protectionist pressure in the U.S. will make it difficult for us to avoid closing our markets. We do not want it to come to this, but if our relationship is to continue on the right track, we must have progress in the ongoing four sector negotiations.

Now, let me add that no one in the U.S. Government believes that even if all Japanese tariff and non-tariff barriers were dismantled, our trade deficit with Japan would disappear. ~~Any American who thinks that equal market access would somehow translate into a bilateral trade balance is mistaken, because it won't.~~



Furthermore, we Americans will not solve our own economic problems by looking only beyond our borders for the sources of our ills. Raising a wall of protectionism to hide behind will not improve our situation. It will only make it worse.

For our part, we Americans must recognize some basic realities. Our domestic economy has been experiencing its strongest recovery in 30 years. Investors around the world, expressing confidence in that recovery, have bid up the value of the dollar. This has made American exports more expensive for people of other countries. These macro-economic factors -- a high domestic economic growth rate, increased consumer demand, and the high value of the dollar -- have also played a role in creating a bulging trade deficit.

Americans must maintain steady growth without inflation, reduce the federal deficit, and reduce interest rates -- which in turn will produce a more realistic exchange rate. We must also continue the major industrial restructuring now underway. Our economy has become more efficient, and there are signs of a renewed commitment to producing better products and better services at less cost.



But if we are to compete, even more American hard work, increased productivity, respect for quality, competitive pricing, and follow-through service will be essential. This is what I call <sup>as return to</sup> "the old-time religion," and we in America need more of it.

For its part, Japan simply must provide greater access to its markets. It is in Japan's interest to do so; it is in our mutual interest; and it is in the entire free world's interest.

Second, the U.S. asks for adherence to the rules of fair play. ~~The other day a reporter asked one of our visiting U.S. trade officials if the U.S. would settle for a strictly bilateral agreement with Japan regarding market opening measures. The answer of course was no.~~

We are not seeking special or preferred treatment for American companies and their products. Our goal -- as President Reagan has said -- is an economic system of free and fair trade in goods, services, and capital. We are seeking equal access for everyone, across the board, because that is what we consider fair play.

Whatever the United States and Japan do in their bilateral relationship affects the whole world. This is a reality we cannot escape.

And our impact on the world is measured not only in economic and technological terms, but also in terms of our growing political and security cooperation. Japan's emerging leadership and more active political association with the other industrialized democracies mark one of the most exciting and encouraging developments of the last quarter of the 20th century.

Japan and the U.S. share fundamental policy interests in nearly every area -- Asia, Africa, the Middle East, and East-West relations, arms control. With respect to arms control, I would like to reiterate Secretary Shultz's pledge: the United States will not agree to any arms accord that does not account for Intermediate-Range Nuclear weapons (INF) on a global basis. We will not sign an accord that would increase the threat to our friends and allies in Asia.

In Asia, stability on the Korean Peninsula remains vital to Japan and the U.S. Both countries also have an interest in supporting the political and economic development of the ASEAN countries. Japan and the U.S. have an important role to play in assisting China in its modernization programs and its integration into the international community.



Japan and America are of course tied together by the Treaty of Mutual Security and Cooperation. Under this agreement, the United States has pledged to come to Japan's aid in case of attack -- and we will.

Japan in turn offers us the use of facilities in Japan to fulfill our obligations there and throughout Asia. In addition, Japan provides more than ~~one~~ 1.1 billion dollars in host country support for the upkeep of those facilities, where today we deploy approximately 60,000 troops. Japan's financial and political support for the U.S. Forces stationed there has made it possible for us to rebuild a strong and stable presence in Asia.

I would like to emphasize that in defending Japan and our other Asian friends and allies, America is acting in its own defense as well. Without our bases in Japan, we would have to revamp our entire defense strategy. We would have to ask ourselves: to where would we drop back our line of defense? How many more billions of dollars would that cost us? And just how effective would that new line of defense be? Definitely something to think about.

It is also true that the United States has to spread its resources over a vast area. Therefore, the more Japan can do in its own defense, the more



the U.S. can use its own resources efficiently to meet our common objectives. For the past fourteen years, Japan has made steady and significant progress toward increasing its own self-defense capability. And we appreciate it.

I have talked about our shared foreign policy interests and objectives. Let me also touch upon the roles cultural, academic, and professional exchanges play in the U.S.-Japan bilateral relationship. For as much as I have spoken about trade and defense -- the "flesh and bone" of our partnership -- I have not forgotten for a moment that the heart of our relationship has always revolved, and will continue to revolve, around people.

There is an old saying in the United States that "Ignorance is bliss." In other words, if you don't know about something it can't hurt you, can't bother you. I don't believe that for a minute. And neither do you. Some of the most lasting benefits of our knowing each other come from the sharing, the understanding, the cooperation, and the friendships that develop among us. And one of the major goals of cultural, academic and professional exchanges is to create a public climate where the "flesh and bone" problems can be solved in a spirit of cordiality and mutual respect. A better understanding of each



other's people and culture -- an understanding that can be translated into accurate perceptions of our governments and policies -- will serve us in good stead now, and in the future.

In particular, I would like to pay tribute to the Japan Society and the Japan Center for International Exchange for currently sponsoring the U.S.-Japan Parliamentary Exchange Program. This program to date has brought <sup>more than 100</sup> ~~130~~ American and <sup>more than</sup> ~~80~~ Japanese legislative leaders to each other's country. I am <sup>happy</sup> pleased to <sup>see</sup> ~~note~~ that several distinguished participants <sup>long time friends such as Sen. Roth + Jim Foley</sup> are with us tonight.

I am also pleased to note that the newly-established U.S.-Japan Leadership Program, sponsored by the U.S.-Japan Foundation and organized by the Japan Society, has already sent a number of talented, dynamic younger Americans to Japan. Their stay in Japan will help these Americans learn how their Japanese counterparts think and how they respond to the rest of the world..

The media can also be a positive force for increasing awareness among both our peoples. Coverage of Japanese-American affairs has increased and improved during recent years. Japanese correspondents in the U.S. now number more than 125,

while American correspondents in Japan number more than 100. Stories, commentaries, in-depth articles -- I welcome them all, because they provide the necessary food for thought about U.S.-Japan relations.

Finally, let me turn briefly to another subject that is as dear to my heart as the U.S.-Japan relationship. That is the future of the Pacific Basin, the coming "Century of the Pacific."

The development of this Basin during the next 100 years will mark a turning point in world history. More than half the people of the world live in this area. Four South American nations front on the Pacific, as do all of Central and North America, East Asia, Australia, New Zealand, and the islands of the Pacific.

When you think of the Pacific Basin, with its tremendous natural resources, the generally stable + *friendly* governments, the current trade volume, the great potential markets -- when you consider the demographic trends -- the movements of population -- to the South ~~and~~ <sup>west</sup> and especially the West -- in the United States, you cannot help but come to the conclusion that a pattern is emerging that clearly outlines the intersection of trade and peoples in the Pacific Basin.



It is, in the pronouncements of the U.S. Government, in the words of our President and Secretary of State, where it all is, what it is all about and where our futures lie.

The successful and peaceful development of the Pacific Basin, as well as its stability, will depend upon the durability and strength of the U.S.-Japan relationship.

In closing, I'd like to reiterate a few points I hope you will take home with you:

-- First, it is imperative that Japan and the United States not engage in mutual recriminations. We can afford neither the time for scapegoating each other, nor the damage it might do to our relations.

-- Second, the U.S. must put its own economic house in order.

--Third, American sellers and investors must have the same opportunities in Japan that Japanese sellers and investors have, generally speaking, in the United States.

-- Fourth, our security relationship is in our mutual interest and is evolving in the direction of greater burden sharing.

-- Fifth, a vigorous program of exchanges is the surest way, over the long term, to build a true community of Asia Pacific nations.

It is in our mutual interest to keep these points in mind, to do something positive about them, and thus build a healthier and more understanding relationship. Together we can meet this challenge; separately we can only create a more difficult world for both of us.

~~The great American poet~~ Carl Sandburg once wrote, "Nothing happens unless first a dream." We have our work cut out for us, and I suggest we get to it, *now!*

Thank you.

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# Together Toward Peace and Prosperity

**1985**

Ambassador Mansfield Before The Japan Society

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